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Rick Campbell 12:54PM LEAS
Stark County Recorder T20110001416

NON-DRILLING AND NON-SURFACE TRESPASS OIL & GAS LEASE

THIS LEASE, is made and entered into this 28 day of December, 2010, by and between RJT HOLDINGS, LTD., 862 Oakridge Street, SW, North Canton, Ohio 44720, hereinafter called "Lessor," and Lake Region Oil, Inc. P.O. Box 499, Dalton, Ohio 44618, hereinafter called Lessee. Lessor and Lessee agree to the following obligations, covenants, conditions, and warranties:

1. GRANT. Lessor, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledge, and the covenants and agreements herein contained, grants to Lessee the exclusive right to extract oil and natural gas underlying the lands described below, including the right to extract such oil and gas from a well or wells on other lands by virtue of pooling or unitizing Lessor's lands or any strata thereof, with such other lands ("the drilling unit"). No drilling unit to which Lessor's lands are committed shall exceed forty five (45) acres in size.

2. PRIMARY TERM. This lease is for a primary term of six (6) month(s), and shall remain in force as long thereafter as oil and gas operations are being conducted on the drilling unit, or oil or natural gas is being produced in paying quantities from the drilling unit.

3. PREMISES. This lease covers all of the oil and gas lying below Lessor's land described as Lot(s) 512, City of Massillon, Stark County, Ohio, containing 10.00 acres, more or less. Being known as Tax Parcel #: 05-00121, (herein "lands" or "surface lands").

4. LEASE. This lease covers only oil, natural gas and all other hydrocarbons or substances associated with or derived therefrom, whether elements, mixtures or compounds in liquid, gaseous or vaporous forms or states.

5. RELEASE. Lessees shall, within thirty (30) days of the surrender or termination of this lease, prepare and record a Release of Lease as to the lands or formations, as applicable, and provide Lessor with a copy of the recorded document with ten (10) business days.

6. NO SURFACE OCCUPANCY.

a. No well shall be drilled on Lessor's surface lands. Lessee shall not enter upon the surface of the leased property. Lessee forfeits any and all rights of ingress and egress, or other implied or statutory rights of access, upon the surface of the leased property. Lessee shall not install or construct any device, structure, tank, separator, meter station, or other facility, or conduct any oil and gas operations of any nature whatsoever on the surface of the leased property.

b. The Lease is granted for the sole purpose of permitting Lessee to pool or unitize the Leased property with other lands. The other lands in the drilling unit shall bear the entire burden of development. Lessor acknowledges that, pursuant to slant or directional drilling methods, a wellbore originating from a surface location elsewhere on the drilling unit may pass through or terminate below the surface of the Lessor's property, and grants its consent thereto pursuant to this Lease.

7. ASSIGNMENT. Lessee may at any time assign this Lease in whole or part to successors and assigns, without the consent of the Lessor. Lessee shall, within thirty (30) days of any assignment of this Lease notify Lessor of such assignment and furnish Lessor a true and correct copy of such assignment.

8. Lessor makes no representations as to its right, title or interest in the lands subject to this Lease, but does warrant title and does agree to defend title to said lands. Lessor shall cure and cooperate in curing title defects and defending title.

9. ROYALTY

a. Lessee covenants and agrees to market and sell the oil and natural gas produced from the Lessor's lands, and to pay to Lessor, or Lessor's designee, as royalty the wellhead price received for one-eighth (12.5%) of all oil, measured in barrels, and natural gas, measured in MCF, produced, and sold from the lands pursuant to paragraph 9.b, including crude oil, condensate, natural gas liquids, and all other hydrocarbon substances.

b. Lessee shall commence paying royalties to Lessor, on a pro rata basis, based upon Lessor's amount of acreage placed in the unit bears to the total acreage in the unit, within sixty (60) days after the first sale of crude oil from the drilling unit, and within ninety (90) days after natural gas is first sold from the drilling unit, and shall continue to promptly pay all royalties no later than sixty (60) days past the last day of the month in which oil and natural gas production from the drilling unit is sold thereafter.

c. Royalty payments will be accompanied by a statement of an authorized agent of the Lessee showing the gross amount and disposition of all oil and natural gas produced from the drilling unit, and sales price thereof, and any withholding or deduction for property, severance or production taxes, which taxes shall also be paid by Lessee, on a pro rata basis, on behalf of the account of Lessor.

d. Lessee agrees to provide Lessor, and its authorized agents, no more frequently than annually, access to Lessee's books, records, and account, at reasonable times and places, including meter calibration records, and production reports made to the ODNR-Mineral Resources Management Division and to state and local tax authorities that provided information that related to the volumes, and sales prices of oil and natural gas produced from the drilling unit for the previous two year period.

10. **DELAY RENTAL AND SHUT-IN PAYMENTS.** If, after a well is drilled, there is no production from the drilling unit or a well is shut-in for six (6) consecutive months, or if the production equipment is removed from the well, or the well is declared temporarily abandoned by the ODNR-Mineral Resources Management Division, Lessor shall be paid Five Hundred Dollars (\$500.00) per year until production is re-established, or until the well is plugged and abandoned according to law.

11. **BINDING EFFECT OF LEASE.** This lease shall be binding on all heirs, successors and assigns of Lessor and Lessee. If the leased land is hereinafter owned in separate tracts, the premises, nevertheless, shall be treated as an entirety, and all payments due shall be paid proportionally (on an acreage basis) to each separate owner, and if Lessor owns less than the entire fee simple estate, Lessor shall be paid only its proportional share of any royalty or delay rental payment due.

12. **CHANGE OF OWNERSHIP.** Lessor shall provide written notice to Lessee of any change of ownership in the leased premises. Rentals or royalties hereunder shall be payable by Lessee to any new Owner of the lands after delivery to Lessee of written notice signed by both parties along with a copy of the recorded instrument of conveyance or assignment of the Lessor's interest in this Lease. An owner of the lands or surface may, from time to time, notify Lessee in writing of the name, address, and tax reporting information of such Lessor's designee for payment of the royalty payments due under this lease and all royalty payments shall be made by Lessee to such designee until Lessee receives notice otherwise from Lessor and/or Lessor and a new owner of the lands.

13. **COMPLIANCE WITH LAW.** Lessee represents and warrants that it will conduct its oil and gas operations in compliance with all federal, state, and local laws, rules, regulations and orders promulgated pursuant thereto: including but not limited to those relating to the environment.

14. **DOMESTIC GAS USE.** There shall be no free domestic gas use rights under this Lease.

15. **WATER.**

a. Lessee shall not have any right to interfere with, disturb, block or use water from Lessor's springs, ponds, wells, creeks, reservoirs, streams, facilities, or other sources of water for any operations hereunder without Lessor's written consent. Lessee may not use any nondomestic fresh water from the leased premises for any fracing, hydroracking, waterflood, pressure maintenance or other secondary recovery operations, unless Lessor otherwise agrees in writing.

b. Lessee, at its expense, shall maintain the quality and quantity of Lessor's water supplies by testing the supplies through a third party prior to and at the completion of operations on the leased premises and as deemed necessary by Lessor due to changes in flow or quality, including but not limited to, color, smell or taste. Should the water supply be polluted or reduced, Lessee shall take any and all steps to restore water quality and quantity to its pre-existing condition. During the period of water replacement/remediation, Lessee shall supply Lessor with an adequate supply of potable water consistent with Lessor's use of the damaged water supply prior to Lessee's operation and shall comply with the State of Ohio's laws and regulations. Any pollution or reduction of any water supply will be presumed to be the result of Lessee's operations unless Lessee can affirmatively prove otherwise.

16. **CONSTRUCTION.** This lease shall be construed under the laws, and solely in the courts, of the State of Ohio, without regard to conflict of laws principles. Captions used herein shall be given no consideration, as they are included for convenience only. No consideration shall be given to the fact or presumption that one party had a greater or lesser hand in drafting this instrument.

17. NOTICE OF BREACH. In the event Lessor considers that Lessee has not complied with any of its obligations hereunder, either express or implied, Lessor shall notify Lessee, in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall have thirty (30) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of thirty (30) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any part of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all of its obligations hereunder.

18. NO IMPLIED COVENANTS. No implied covenants, obligations, or agreements shall be read into this Agreement or imposed upon either party.

19. NOTICE. If at any time after the execution of this Lease, it shall become necessary or convenient for one of the parties to serve any notice, demand or communication upon the other party, such notice, demand or communication shall be in writing signed by the party serving notice, sent by nationally recognized overnight carrier or registered or certified United States mail, return receipt requested and postage or other charges prepaid. Any such notice shall be addressed as set forth below or to such other address as either party may have furnished to the other in writing as a place for the service of notice. Any notice so sent shall be deemed to have been given as of the time it is received by the recipient.

21. INDEMNIFICATION: Lessee covenants and agrees to indemnify and save Lessor harmless from any cost, loss or damage, which may occur or be claimed with respect to any person, persons, property or to the premises or resulting from any acts done or omissions by or through Lessee, his agent, servants, use, nonuse, or possession of, or conduct of his business upon the leasehold premises.

Lessee:
Lake Region Oil, Inc.
P.O. Box 499
Dalton, OH 44618

Lessor:
RJT Holding LTD
862 Oakridge St. SW
North Canton, OH 44720

Signature of Lessor:
RJT Holding LTD

By: Robert D. Werath

Title: Managing Member

Signature of Lessee:
Lake Region Oil Inc:

By: [Signature]

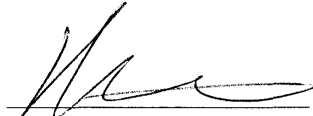
Title: President

STATE OF OHIO

COUNTY OF Stark

On this 29th day of December 2010, before me personally came Robert D. Wampler to me personally known who, being duly sworn, did depose and say that he/she resides in N. Canton, Ohio, that he/she is the Managing Member of RST Holdings LTD, the corporation described in and which executed the within instrument, that he/she knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he/she signed his/hers name thereto by like order.

My commission expires



Notary Public

ROBERT J. DERWIN II
Notary Public, State of Ohio
My Commission Expires April 30, 2012

STATE OF OHIO

COUNTY OF WAYNE
On this 29th day of December 2010, before me personally came _____ to me personally known who, being duly sworn, did depose and say that he/she resides in Dalton, Ohio, that he/she is the President of LAKE REGION OIL INC, the corporation described in and which executed the within instrument, that he/she knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he/she signed his/hers name thereto by like order.

My commission expires


Notary Public

ROBERT J. DERWIN II
Notary Public, State of Ohio
My Commission Expires April 30, 2012

This instrument prepared by: Lake Region Oil, Inc., P. O. Box 499, Dalton, OH 44618